



To the Honorable Council
City of Norfolk, Virginia

January 26, 2016

From: Kristen M. Lentz, P.E., Director of Utilities

Subject: Resolution in Support of a Rail
Enhancement Fund Grant Application

Reviewed:

Ronald H. Williams, Jr., Deputy City Manager

Ward/Superward: Citywide

Approved:

Marcus D. Jones, City Manager

Item Number:

R-9

I. **Recommendation:** Adopt Resolution

II. **Applicant:** City of Norfolk, Department of Utilities

III. **Description:**

This agenda item is a resolution to support a Rail Enhancement Fund Application for the Commonwealth Railway Rail Expansion Project which includes an obligation by the City of Norfolk to fund 30% of the cost of a water transmission main relocation.

IV. **Analysis**

Commonwealth Railway is preparing a grant application to expand their rail yard in Suffolk in support of a larger project to grow rail capacity at the Virginia International Gateway Terminal. The rail yard expansion will require relocation of Norfolk's and Portsmouth's water transmission mains that are currently located on Commonwealth Railway property and must be moved at the localities' expense. Commonwealth Railway has agreed to include relocation of the transmission mains in the grant application such that the grant will cover 70% of cost to relocate. It is anticipated that Norfolk and Portsmouth will develop an agreement to work collaboratively on the waterline relocations to keep costs as low as possible.

V. **Financial Impact**

The grant application requires a 30% locality match, which is estimated to be approximately \$2.7 million for Norfolk and would be funded through existing Water Fund budget authorizations.

VI. **Environmental**

N/A

VII. Community Outreach/Notification

Representatives from the Cities of Suffolk and Portsmouth, and the Virginia Port Authority have been included in meetings on the project.

VIII. Board/Commission Action


N/A

IX. Coordination/Outreach

This letter and resolution has been coordinated with the Department of Utilities and the City Attorney's Office.

Supporting Material from the City Attorney's Office:

- Resolution

Form and Correctness Approved: 

By 

Office of the City Attorney

Contents Approved:

By 

DEPT. Utilities

NORFOLK, VIRGINIA

Resolution

A RESOLUTION IN SUPPORT OF A RAIL ENHANCEMENT
FUND APPLICATION FOR THE COMMONWEALTH RAILWAY
RAIL EXPANSION PROJECT.

- - -

WHEREAS, Commonwealth Railway ("Railway") desires to file an application for funding assistance from the Rail Enhancement Fund ("REF") for a Marshalling Yard Expansion Project ("Project") on the Commonwealth Railway, in support of the Virginia International Gateway On-Dock Rail Expansion; and

WHEREAS, the City of Norfolk ("Norfolk") and the City of Portsmouth ("Portsmouth") are stakeholders in this Project due to water transmission mains which must be relocated by agreement with the Railway to accommodate the yard expansion; and

WHEREAS, Norfolk and Portsmouth estimate that the relocation of their water mains will cost approximately \$15,000,000; and

WHEREAS, the Project application for REF funding will include 70 percent of the estimated utility relocation cost as part of the Project budget, with the remaining 30 percent of the estimated utility relocation cost apportioned between Norfolk and Portsmouth; and

WHEREAS, Norfolk recognizes the Project is an important element of the regional, state and national freight transportation system; and

WHEREAS, the Virginia International Gateway is vital to economic development in the area, and increased rail capacity provides relief to the highway system by transporting freight, and provides an alternative means of transportation of commodities; and

WHEREAS, Norfolk supports the Project and the expansion of on-dock rail service to maintain economic competitiveness in the world economy; now, therefore

BE IT RESOLVED by the Council of the City of Norfolk:

Section 1:- That Norfolk does hereby request that the Commonwealth Transportation Board give priority consideration to the Project for funding through the REF.

Section 2:- That this resolution shall be in effect from and after the date of its adoption.